

**Supplemental Reporting Document
Table of Contents
February 2008 Investment Committee Meeting
(December 2007 Reporting Period)**

Quarterly Reports

AIM Program

Proxy Voting

Internally Managed Domestic Fixed Income

Internally Managed Short-Term Fund

Internally Managed Dollar Denominated Limited Duration Funds

Member Home Loan Program

Public Record Act Requests



Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749
Telecommunications Device for the Deaf - (916) 795-3240
(916) 795-3400

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Performance Report
- II. PROGRAM:** Alternative Investment Management (AIM) Program
- III. RECOMMENDATION:** Consent
- IV. ANALYSIS:**

Background

In accordance with AIM Program Policy and as provided for in the external resources' contracts, quarterly performance reports are required for the AIM Program. Attachment 1 provides the AIM Portfolio Performance Report as of September 30, 2007. The report may be modified over time to reflect additional enhancements.

Program Review

As of September 30, 2007, the AIM Program had a total exposure of \$42.6 billion. Since inception, the AIM Program has made contributions of \$29.6 billion and received distributions of \$22.5 billion. Of the \$22.5 billion in distributions, \$12.5 billion represents realized gains, income, and dividends. The AIM Program has realized a 1.5x return of contributed capital. Since Inception to September 30, 2007, the AIM Program has generated a net IRR of 14.5%.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

Attachment 1 provides the Executive Summary for the Alternative Investment Management Program - Quarterly Review prepared by the Private Edge group of State Street Corporation and verified by the Performance Monitoring Unit staff.

Dana C. Warmenhoven
Investment Officer
Performance Monitoring Unit

Mike Butler
Staff Services Manager II
Performance Monitoring Unit

Matt Flynn
Division Chief

Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

ATTACHMENT 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ALTERNATIVE INVESTMENT MANAGEMENT PROGRAM

QUARTERLY REVIEW

EXECUTIVE SUMMARY

*For the quarter ended
September 30, 2007*

Prepared by The Private Edge[®] Group, State Street Corporation



STATE STREET.

TABLE OF CONTENTS

<i>Section</i>	<i>Page</i>
A. AIM PROGRAM - OVERALL PORTFOLIO.....	1
Portfolio Summary	1
Performance	2
Portfolio Activity	2
 B. MARKET OVERVIEW	 3
 C. PORTFOLIO OVERVIEW	 5
Portfolio Diversification – By Strategy	5
Portfolio Diversification – By Strategy Graph.....	6
Portfolio Geographic Diversification	6
Portfolio Company Diversification by Industry	7
California Focus	8
Commitments and Contributions Since Inception	9
 D. SIGNIFICANT EVENTS/ MATERIAL EXCEPTIONS TO POLICY	 10



TABLE OF CONTENTS (Continued)

Page

TABLES

Table 1 - Summary of AIM Portfolio	1
Table 2 - Total Exposure by Portfolio Strategy	5
Table 3 - Portfolio Company Diversification by Industry	7
Table 4 - California-Based Portfolio Diversification by Industry	8
Table 5 - Summary of Capital Commitments and Contributions	9

FIGURES

Figure 1 – AIM Program Cumulative Cash Flows Since Inception	2
Figure 2 – AIM Program Cumulative Distributions Since Inception	2
Figure 3 – Private Equity Funds Raised	3
Figure 4 – Private Equity Dollars Invested.....	4
Figure 5 – AIM Program – Portfolio Diversification by Strategy	6
Figure 6 – AIM Program – Portfolio Diversification by Geographic Location.....	6
Figure 7 – Portfolio Company Diversification by Industry	7



STATE STREET

I. ALTERNATIVE INVESTMENT MANAGEMENT PROGRAM (AIM)

A. AIM PROGRAM - OVERALL PORTFOLIO

This quarterly review has been prepared by The Private Edge[®] Group ("PEG") at State Street Corporation and verified by the Performance Monitoring Unit Staff, based on cash flow, valuation and activity data generated by PEG, Grove Street Advisors ("GSA"), and various AIM Program External Resources. Specific highlights of the portfolio are given below.

Portfolio Summary

- As of September 30, 2007, the AIM Program had a total exposure of \$42.6 billion. Total exposure is the current reported value of investments plus the remaining amount of unfunded commitments.
- Since inception, the AIM Program has made contributions of \$29.6 billion, received distributions of \$22.5 billion and has a remaining reported value of \$20.0 billion. Of the \$22.5 billion in distributions, \$12.5 billion represents realized gains, income and dividends. During 2004 and 2005, the Program had been self-funding. However, this was not the case in 2006 and in the first nine months of 2007 due to recent increases in the Program's commitments. During the first nine months of 2007, the Program's contributions exceeded its distributions by \$2.4 billion.

SUMMARY OF AIM PORTFOLIO SINCE INCEPTION (MARCH 1990) THROUGH SEPTEMBER 30, 2007 (US\$ IN MILLIONS)

	Capital Contributed ⁽³⁾	Distributions		Reported Value ⁽⁵⁾	Investment Multiple
		Return of Capital	Realized Gain ⁽⁴⁾		
Total Active Commitments⁽¹⁾	\$27,115.3	\$8,062.8	\$10,707.9	\$19,938.0	1.4x
Total Exited Commitments⁽²⁾	\$2,439.0	\$1,873.1	\$1,841.7	--	1.5x

(1) An active commitment refers to an investment that has not reached the end of its legal term.

(2) An exited commitment is defined as a commitment that has ended in accordance with the terms of the partnership agreement.

(3) Includes fees in excess of committed capital.

(4) Realized gains include interest, dividends, gains and losses distributed by the general partners in addition to interest paid by CalPERS for participation in subsequent closings of certain investments.

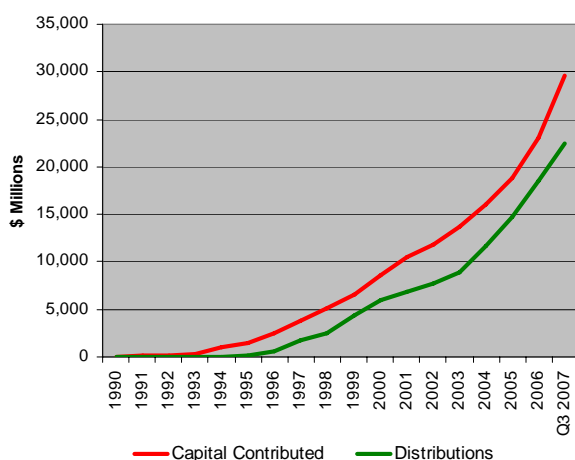
(5) Based on values reported by the general partners as of September 30, 2007.



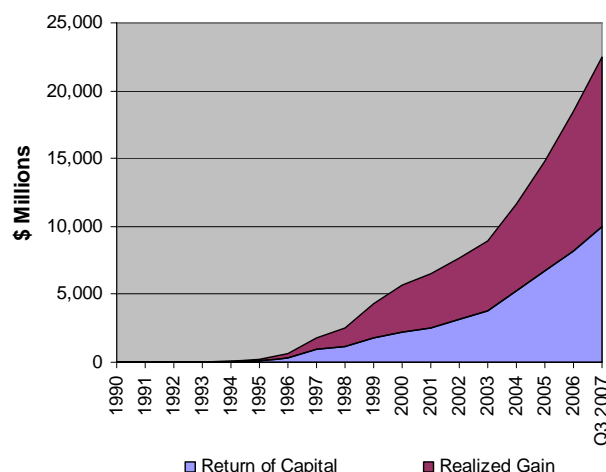
Performance

- Since inception to September 30, 2007, the AIM Program generated a net IRR of 14.5%. At September 30, 2007, the public market ten-year rolling average return for the CalPERS' Custom Wilshire 2500 Index plus 300 basis points was 10.4%.
- As of September 30, 2007, the weighted average age of all of the current investments in the AIM portfolio was 3.5 years. Consequently, a large portion of the portfolio is in the early stage of its investment life, when payment of fees has not been offset by young investments that are held at cost. This is known as the J-Curve effect.
- To address the young age of the partnership portfolio, CalPERS adopted a short-term benchmark, the Venture Economics Custom Young Fund Universe. The benchmark measures performance of the AIM partnerships in the first five years of life against a similarly aged universe of Venture Economics data. As of June 30, 2007, the AIM young fund net internal rate of return ("IRR") was 27.5% which exceeded the estimate of the June 30, 2007 Custom Young Fund Universe median return of 7.2% by 2,030 basis points. The AIM Program is displaying solid returns for a young portfolio.

**AIM PROGRAM CUMULATIVE
CASH FLOW SINCE INCEPTION**



**AIM PROGRAM CASH DISTRIBUTIONS
SINCE INCEPTION**



Portfolio Activity

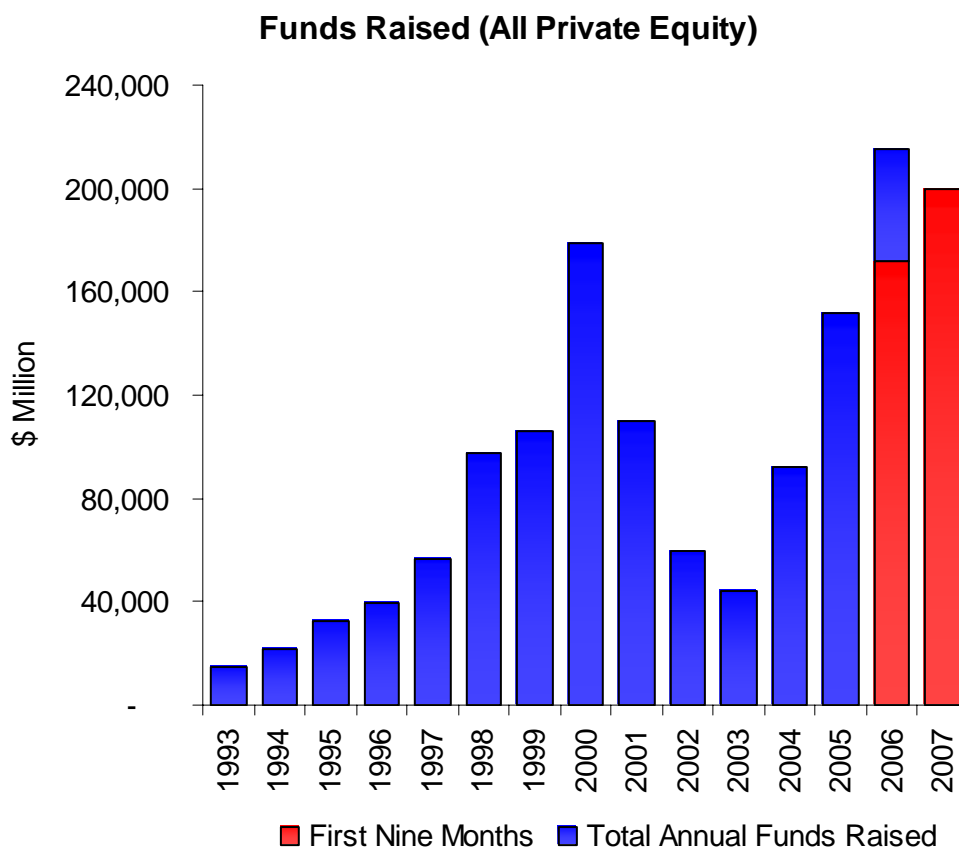
- 14 new commitments were authorized during the third quarter of 2007 for a total of \$4.0 billion.
- During the third quarter of 2007 the AIM Program received 95 proposals for new investment opportunities.
- During the first nine months of 2007, the AIM Program contributed \$6.5 billion to and received distributions of \$4.0 billion from the underlying portfolio. Of the \$4.0 billion in distributions, \$2.3 billion represents income and realized gains.



B. MARKET OVERVIEW

Market

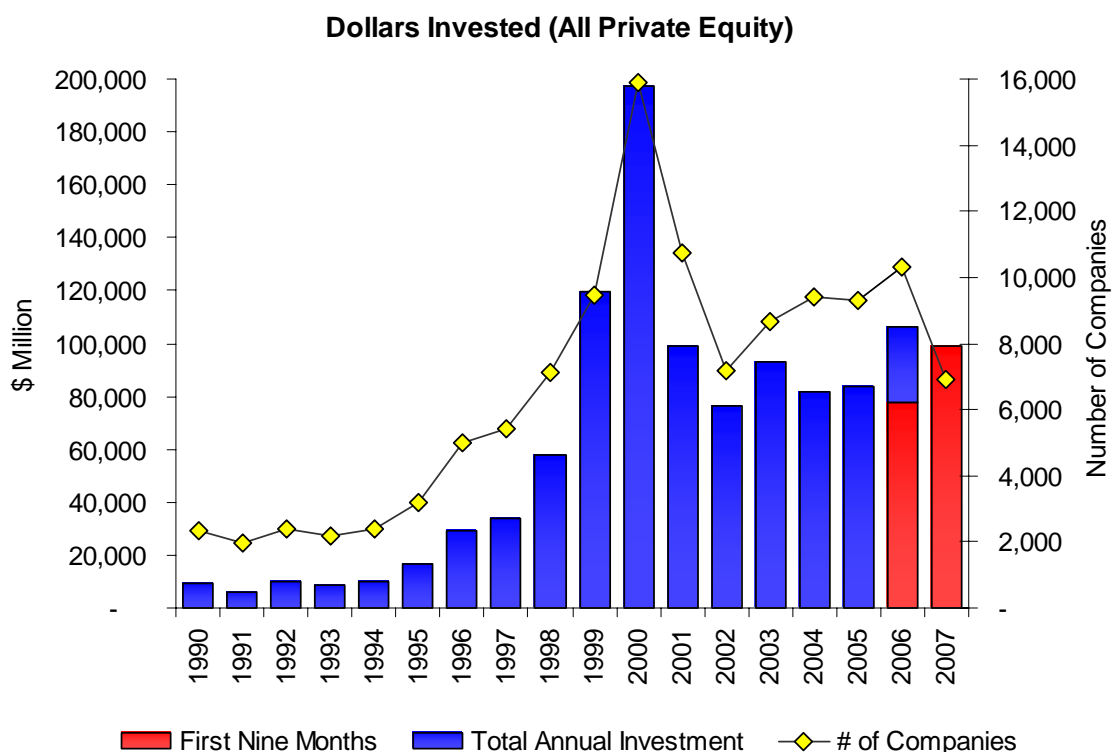
- According to the Private Equity Analyst, \$199.4 billion was committed to 295 funds during the first nine months of 2007. The commitment pace is up 16% from the first nine months of 2006 when \$172.2 billion was committed to 253 funds. Venture capital fundraising was down 14% from the first nine months of 2006 with \$18.8 billion committed in the first nine months of 2007. Buyout fundraising was up 31% from the first nine months of 2006 with \$155.0 billion committed in the first nine months of 2007. The remaining \$25.6 billion raised in the first nine months of 2007 was committed to Mezzanine Funds, Fund of Funds, Secondary Funds and other Private Equity Funds.



Source: Private Equity Analyst



- Deal activity for all private equity during the first nine months of 2007 increased in dollar amount but decreased in the number of companies receiving funding compared to the first nine months of 2006. According to Venture Economics, 6,887 companies received \$99.0 billion in funding in the first nine months of 2007, compared with 7,511 companies that received \$77.7 billion in the first nine months of 2006.
- In the first nine months of 2007, venture capital activity increased in dollar amount but decreased in the number of companies receiving funding compared to the first nine months of 2006. According to Venture Economics, 5,443 companies received \$41.3 billion in venture funding in the first nine months of 2007 compared with 6,056 companies that received \$40.7 billion in the first nine months of 2006. During the first nine months of 2007, buyout activity increased in both dollar amount and in the number of companies that received funding. According to Venture Economics, 2,915 companies received \$63.3 billion in buyout funding in the first nine months of 2007, compared with 2,909 companies that received \$45.2 billion in first nine months of 2006.⁽⁶⁾



Source: Venture Economics

⁽⁶⁾ According to Venture Economics, certain investments meet the definitions for both Venture and Buyout categories and are included in the total for each category. For the purposes of determining the Total Private Equity investments for the quarter, these investments are included only once. As such, the sum of Venture and Buyout categories exceeds the Total Private Equity figures for the quarter by the amounts of the investments that meet both Venture and Buyout definitions.



C. PORTFOLIO OVERVIEW

Portfolio Diversification – By Strategy

The AIM Program invests in all types of private equity and is well diversified. The total exposure is generally consistent with the diversification within the private equity marketplace. Thus, a majority of AIM Program's total exposure is to Corporate Restructuring, Expansion Capital and Venture Capital.

TOTAL EXPOSURE BY PORTFOLIO STRATEGY (US\$MILLION)

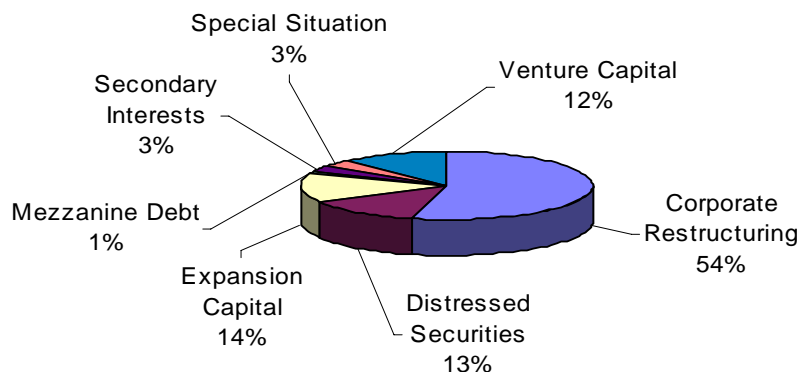
	Unfunded Commitments	Reported Value	Total Exposure	Contributions	Distributions	
					Return of Capital	Realized Gain ⁽⁷⁾
Corporate Restructuring	\$13,068.2	\$9,946.0	\$23,014.2	\$13,390.1	\$4,407.1	\$6,953.8
Distressed Securities	\$3,106.0	\$2,264.0	\$5,370.0	\$2,489.9	\$495.6	\$468.0
Expansion Capital	\$2,306.4	\$3,693.4	\$5,999.8	\$3,991.8	\$946.6	\$989.7
Mezzanine Debt	\$276.6	\$157.0	\$433.6	\$530.2	\$285.8	\$139.6
Secondary Interests	\$539.6	\$770.8	\$1,310.4	\$1,322.7	\$692.9	\$194.0
Special Situation	\$1,074.1	\$373.8	\$1,447.9	\$705.5	\$247.4	\$192.7
Venture Capital	\$2,332.3	\$2,733.0	\$5,065.3	\$4,685.1	\$987.4	\$1,770.1
Total	\$22,703.2	\$19,938.0	\$42,641.2	\$27,115.3	\$8,062.8	\$10,707.9

⁽⁷⁾ Realized gains include interest, dividends and gains distributed by the general partners.



The below graph depicts the AIM Program's strategy diversification by total exposure.

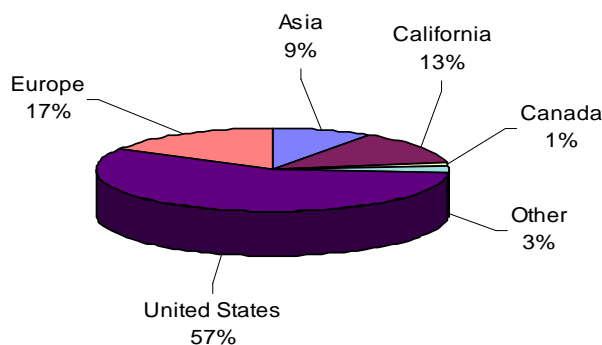
**AIM Program - Portfolio Diversification by Strategy
As a Percentage of Total Exposure
As of September 30, 2007**



Portfolio Geographic Diversification

As of September 30, 2007, CalPERS' AIM portfolio was well diversified by geographic region. By reported market value, 13% of the investments were in companies with their primary locations within California and 57% of the investments were in non-California domestic areas. International portfolio companies represented 30% of the total reported market value of all portfolio companies.

**Portfolio Diversification by Geographic Location
As Measured by CalPERS' Reported Value
As of September 30, 2007**



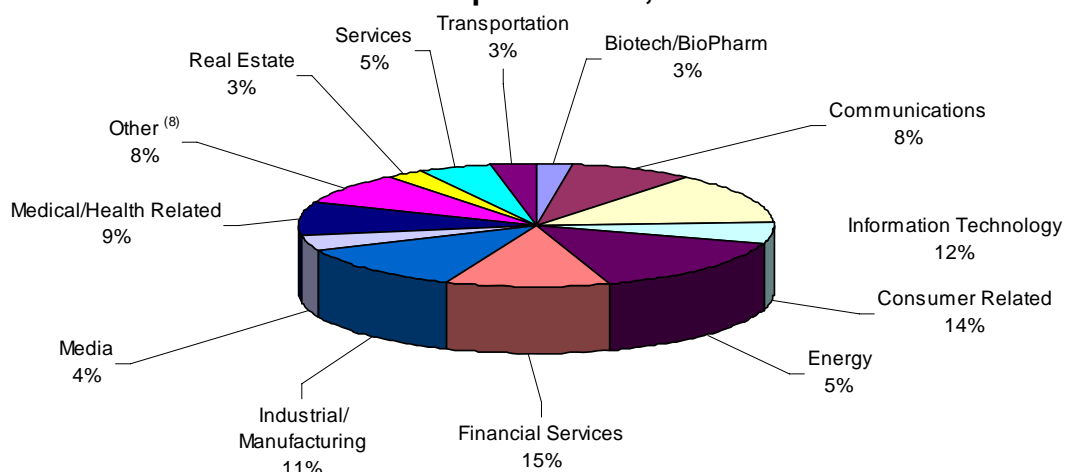
Portfolio Company Diversification by Industry

As of September 30, 2007, the CalPERS AIM portfolio was broadly diversified by industry. The table below outlines the current reported value of the portfolio companies held in the AIM portfolio. Within the overall portfolio, the largest segments were financial services, consumer-related and information technology.

PORTFOLIO DIVERSIFICATION BY INDUSTRY AS OF SEPTEMBER 30, 2007

Industry	Reported Value (US\$ MILLIONS)
Biotechnology/BioPharma	\$434.1
Communications	\$1,473.3
Consumer-Related	\$2,390.6
Energy	\$931.4
Financial Services	\$2,713.7
Industrial/Manufacturing	\$1,953.0
Information Technology	\$2,173.7
Media	\$720.5
Medical/Health-Related	\$1,520.7
Other ⁽⁸⁾	\$1,451.2
Real Estate	\$472.5
Services	\$886.2
Transportation	\$515.4
Total	\$17,636.3

Portfolio Diversification by Industry As Measured by CalPERS' Reported Value As of September 30, 2007



⁽⁸⁾ Includes CalPERS' investments held through fund-of-funds.



California Focus

As of September 30, 2007, the AIM Program had \$12.6 billion in total exposure to funds that were either headquartered or had a major presence in California. The total exposure to funds that focus primarily on investments in California were \$1.6 billion. In addition, many AIM Program partnerships actively make investments in California. Currently, California-based companies represent 13% of the reported market value of the AIM portfolio.

CALIFORNIA-BASED PORTFOLIO DIVERSIFICATION BY INDUSTRY AS OF SEPTEMBER 30, 2007

Industry	Reported Value (US\$ IN MILLIONS)
Biotechnology/BioPharma	\$138.2
Communications	269.2
Consumer-Related	226.7
Energy	74.4
Financial Services	105.9
Industrial Products/Manufacturing	140.5
Information Technology	605.6
Media	56.4
Medical/Health-Related	367.7
Other ⁽⁹⁾	139.6
Real Estate	37.9
Services	151.6
Transportation	24.4
Total	\$2,338.1

⁽⁹⁾ Includes CalPERS' investments held through fund-of-funds.

The AIM Program includes a California-oriented component that is designed to take advantage of a number of factors conducive to targeted investment activity within the state: (i) the unique size characteristics of the California economy; (ii) the existence of a "capital gap" for certain business segments within the state; and (iii) the ability to construct a diversified array of investment vehicles that reflects the state's large number of business entities and the wide range of development cycles that they represent.



Commitments and Contributions Since Inception

Since inception to September 30, 2007, CalPERS has contributed capital of \$29.6 billion, including exited investments. As expected, the earlier vintage year partnerships have the highest deployment percentage as it typically takes some time for each partnership to call down the full amount of committed capital. The total capital committed by vintage year is presented in the table below.

SUMMARY OF CAPITAL COMMITMENTS AND CONTRIBUTIONS (US\$ IN MILLIONS)

<i>Vintage Year</i>	<i>Capital Committed</i>	<i>Capital Contributed</i>	<i>Reported Value</i>	<i>Return of Capital</i>	<i>Realized Gain⁽¹⁰⁾</i>	<i>Investment Multiple</i>
1990	\$125.3	\$121.9	\$0.5	\$119.5	\$175.9	2.4x
1991	171.7	179.6	0.3	150.5	358.8	2.8x
1992	160.0	156.6	1.7	109.3	231.0	2.2x
1993	563.0	560.0	35.3	454.6	586.9	1.9x
1994	1,507.6	1,416.9	111.0	923.1	1,403.2	1.7x
1995	1,197.9	1,141.3	131.4	722.4	1,068.8	1.7x
1996	1,155.9	1,133.7	75.1	643.5	814.8	1.4x
1997	1,111.9	1,090.0	193.0	534.5	864.6	1.5x
1998	2,216.7	2,175.7	489.0	1,332.2	1,229.4	1.4x
1999	1,207.4	1,149.4	373.3	517.9	658.9	1.3x
2000	3,977.9	3,647.7	1,992.9	1,492.1	1,494.6	1.4x
2001	4,816.8	4,225.2	4,001.7	1,636.8	2,030.7	1.8x
2002	1,092.6	958.6	784.6	364.3	402.2	1.6x
2003	1,496.2	1,235.5	1,277.4	402.0	623.7	1.9x
2004	2,014.6	1,471.0	1,639.2	260.4	319.7	N/M
2005	3,932.0	2,519.7	2,522.1	207.6	210.4	N/M
2006	9,317.2	3,440.5	3,457.9	57.7	74.5	N/M
2007	13,002.8	2,931.0	2,851.6	7.5	1.4	N/M
Authorized⁽¹¹⁾	\$3,720.0	-	-	-	-	N/A
Total	52,787.5	29,554.3	19,938.0	9,935.9	12,549.5	1.4x

⁽¹⁰⁾ Realized gains include interest, dividends, gains and losses distributed by the general partners in addition to interest paid by CalPERS for participation in subsequent closings of certain investments.

⁽¹¹⁾ These commitments have been authorized subject to satisfactory final due diligence, negotiation of investment terms and conditions and completion of all legal documents, including opinions of counsel regarding the preservation of CalPERS' limited liability status, and no material changes to the investment opportunity.



D. SIGNIFICANT EVENTS/ MATERIAL EXCEPTIONS TO POLICY (AS REPORTED BY THE AIM PROGRAM)

Significant Events

- None to report for the quarter ended September 30, 2007.

Material Exceptions to Policy

- None to report for the quarter ended September 30, 2007.





CalPERS
Investment Office

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-3400

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Proxy Voting – Quarterly Report Results
- II. PROGRAM:** Public Markets
- III. RECOMMENDATION:** Consent Item
- IV. ANALYSIS:**

On a quarterly basis, staff provides a report on CalPERS' proxy voting results to the Investment Committee. This supplemental item provides detailed results on CalPERS' proxy votes for the period October 1, 2007 to December 31, 2007. Staff is delegated the authority and responsibility to execute all proxies and voting instructions in a manner that is consistent with the Board's Global Proxy Voting Principles.

The following table provides a summary of CalPERS' internal proxy voting results for the period. Staff continues to update this table to provide the Committee with a 5-quarter rolling analysis of CalPERS' proxy voting results.

Period	Approximate Number of Meetings Voted	Approximate Number of Individual Items Voted	Number of Shareowner Proposals Voted	Percent of Shareowner Proposals Supported
10/01/07 to 12/31/07	1,164	6,981	38	81%
07/01/07 to 09/30/07	1,107	7,341	48	90%
04/01/07 to 06/30/07	5,031	42,956	549	79%
01/01/07 to 03/31/07	414	2,072	29	89%
10/01/06 to 12/31/06	638	3,265	26	84%

****Source: Glass Lewis (Viewpoint)**

In addition to the summary above, we have prepared detailed reports of CalPERS' proxy votes cast during the period October 1, 2007 to December 31, 2007 as attachments for this item. Although the attachments are not included in the agenda materials due to their size, they may be requested through the Investment Committee Secretary.

Attachment 1 contains the internal proxy voting decisions made in CalPERS' domestic portfolios and CalPERS' international portfolios, including staff's comments.

PROXY VOTING HIGHLIGHTS FOR THE DOMESTIC AND INTERNATIONAL PORTFOLIOS

A. Domestic Proxy Voting

A sampling of domestic proxy votes cast **against** management from October 1, 2007 to December 31, 2007 includes:

1) Egregious executive compensation plans:

Company	Cost Analysis	Additional Factors ⁽¹⁾
Alkermes Inc. 10/9/07	CalPERS believes the plan is too costly when compared to its peers.	
Arena Resources Inc. 10/25/07	CalPERS believes the plan is too costly when compared to its peers.	
Cuisine Solutions Inc. 10/25/07	The cost of the plan was within acceptable limits.	The plan contains an evergreen provision and allows for the repricing of stock options.
Granite City Food and Brewery 10/30/07	The cost of the plan was within acceptable limits.	The plan allows for repricing and reload stock options.
New Horizons Worldwide Inc. 11/6/07	CalPERS believes the plan is too costly when compared to its peers.	

1) At the June 16, 2003 meeting, the CalPERS Board approved additional policy issues to be applied to voting in relation to compensation plans.

2) Shareowner proposals:

CalPERS voted **in favor** of the following shareowner proposals:

Company	Meeting	Proposal	Reason
News Corp.	10/19/07	Annual Director Elections	CalPERS believes every director should be elected annually.
Cintas Corp.	10/23/07	Majority Vote for Director Elections	CalPERS believes a majority of the proxies cast should be required to elect a director.
Oracle Corp.	11/07/07	Proposal requesting an Open Source Report	CalPERS believes this proposal poses no long-term harm to the company.
Dell Inc.	12/4/07	Executive Stock Ownership Guidelines	CalPERS believes direct equity ownership should be encouraged.

CalPERS voted **against** the following shareowner proposals:

Company	Meeting	Proposal	Reason
Proctor & Gamble Company	10/9/07	Disallowing Future Stock Option Awards	CalPERS believes the proposal is too restrictive and could pose long-term harm to the company.
Daimlerchrysler AG	10/4/07	Change of Company Name	CalPERS believes the board and management are best suited to make this determination.
Dell Inc.	12/4/07	Declaration of Dividend	CalPERS believes the board and management are best suited to determine the company's financial policies. Therefore we believe this proposal could pose long-term harm to the company

3) Proxy Contests:

Company	Dissident	Dissident's Complaints	CalPERS Vote	Reason for the vote
Nautilus Inc. 12/18/07	Sherborne Investors	Declining financials, poor stock performance, lack of transparency in reporting and guidance, and lack of independence on the board.	Voted with Dissidents	CalPERS supported the Dissident Slate as a result of stock price under-performance at the company.

4) Website votes:

The following is a sample of Website votes cast during the quarter:

Company/Date	Issue	Vote	Reason
Sara Lee Corp. 10/25/07	Director Election	Against	CalPERS is withholding its vote from B. Barnes due to the company's inclusion to the 2007 Focus List, severe stock price underperformance, and governance issues at the company.
Archer Daniels Midland Co. 11/8/07	Advisory Vote on Executive Compensation	For	CalPERS believes allowing an advisory vote on executive compensation will benefit shareowners and the company.
Deere & Company 11/14/07	Increase in Authorized Common Stock	For	CalPERS believes the requested increase is reasonable and will not pose long-term harm to the company.
Cisco Systems Inc. 11/15/07	Performance Based Pay	For	CalPERS is a firm supporter of performance based compensation.

5) International Proxy Voting:

A sampling of International proxy votes cast **against** management during the quarter:

Company	Country	Date	Issue	Reason
Bookham Technology PLC	United Kingdom	10/23/07	Stock Option Grants	CalPERS believes options should vest over a period of three years.
Test Rite International	Taiwan	11/2/07	Amend Articles of Association	Proxy materials should be written in a manner designed to provide shareowners with the information necessary to make a voting decision.
Barratt Development PLC	United Kingdom	11/27/07	Appoint of Auditor	CalPERS believes fees paid to the auditor for non-audit related services are excessive.
Ten Network	Australia	12/12/07	Director Election	Withhold vote from N. Falloon. The compensation and nominating committees should be composed of a majority of independent directors.

6) Mergers & Acquisitions (Performance Reporting):

The following measures the performance of staff's vote recommendations on Mergers and Acquisitions within CalPERS' Top 300 Holdings:

Target	Acquirer	Vote	Vote Date	Active Return 1, 2, 3, 4
Unocal	Chevron	For	8/10/05	0.15%
Providian	Washington Mutual	For	8/31/05	-2.75%
PacifiCare	UnitedHealth	For	11/17/05	-0.73%
Maytag	Whirlpool	For	12/22/05	0.00%
WellChoice	WellPoint	For	12/28/05	0.26%
Siebel	Oracle	For	1/31/06	1.40%
Jefferson-Pilot	Lincoln National	For	3/20/06	-0.69%
Albertsons	SuperValu	For	5/30/06	2.45%
BellSouth	AT&T	For	7/21/06	1.55%
Kerr-McGee	Anadarko	For	8/10/06	-1.45%
Golden West	Wachovia	For	8/31/06	-1.40%
Lucent	Alcatel	For	9/7/06	-1.41%
Amsouth	Regions Financial	For	10/3/06	-1.31%
Eckerd Stores	Rite Aid	Against	1/18/07	-0.14%
ICOS Corp.	Eli Lilly	For	1/25/07	0.11%
McData	Brocade Communications	Against	1/25/07	-3.54%
Phelps Dodge	Freeport-McMoran	For	3/14/07	4.29%
Caremark	CVS. Corp.	Against	3/15/07	0.63%
Mellon Financial	Bank of New York	For	3/24/07	2.67%
GlobalSantaFe Corp.	Transocean	For	11/9/07	N/A
PORTFOLIO (value-weighted basis)				-0.46%

- 1) Stock and portfolio excess returns are as of November 30, 2007 - the latest date for available control factors data.
- 2) Excess return is return after controlling for market, size, momentum and growth/value.
- 3) Excess returns are monthly excess returns.
- 4) N/A indicates that the regression could not be performed because there was only one observation at the time of the analysis.

V. STRATEGIC PLAN:

This item is not a product of either the 2007-08 Strategic or Annual Plan.

VI. RESULTS/COSTS:

Costs associated with proxy voting are contained within the Investment Office budget.

Todd Mattley
Investment Officer

Dennis Johnson
Senior Portfolio Manager

Christianna Wood
Senior Investment Officer

Russell Read
Chief Investment Officer



P.O. Box 2749
Sacramento, CA 94229-95812-2749
Telecommunications Device for the Deaf - (916) 795-3240
(916) 795-3400; FAX (916) 795-3330

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Internally Managed Domestic Fixed Income
(Quarter Ended December 31, 2007)
- II. PROGRAM:** Domestic Fixed Income
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the internally managed domestic fixed income portfolio to approved policy guidelines for the quarter ended December 31, 2007.

The Investment Committee approved the "Statement of Internally Managed Dollar Denominated Fixed Income Policy, Guidelines and Procedures" at its May 13, 1996 meeting. As recommended by the Investment Policy Subcommittee, these guidelines require at least quarterly reporting on relative duration, sector weightings, and violations of the policy.

Section I of the report graphically displays interest rate risk of the portfolio by comparing its duration relative to that of its benchmark, the Lehman Long Liability Index (LLL). Duration is a measure of price sensitivity to interest rate changes. It is the percentage change in price given a 100 basis point (1 Percent) move in interest rates. As indicated in the graph, the portfolio is well within the guideline of $\pm 20\%$ of the Lehman Long Liability on an option adjusted basis.

Section II of the report depicts the sector risk of the portfolio. Sector risk is the risk of holding proportions of asset class sectors that differ from proportions in

the benchmark index, the Lehman Long Liability. The table lists the permissible range for weightings in each sector, and sector weightings of the Lehman Long Liability and this portfolio. The portfolio is within approved guidelines.

Section III of the report describes violations of the overall policy and guidelines, including investing only in permissible securities and compliance with specified restrictions. There were two violations of policy or guidelines during the quarter ended December 31, 2007.

V. STRATEGIC PLAN:

This item supports Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

VI. RESULTS/COSTS:

The market value of the internally managed domestic fixed income portfolio as of December 31, 2007 was \$60.2 billion. This agenda item provides a review of portfolio compliance to its guidelines.

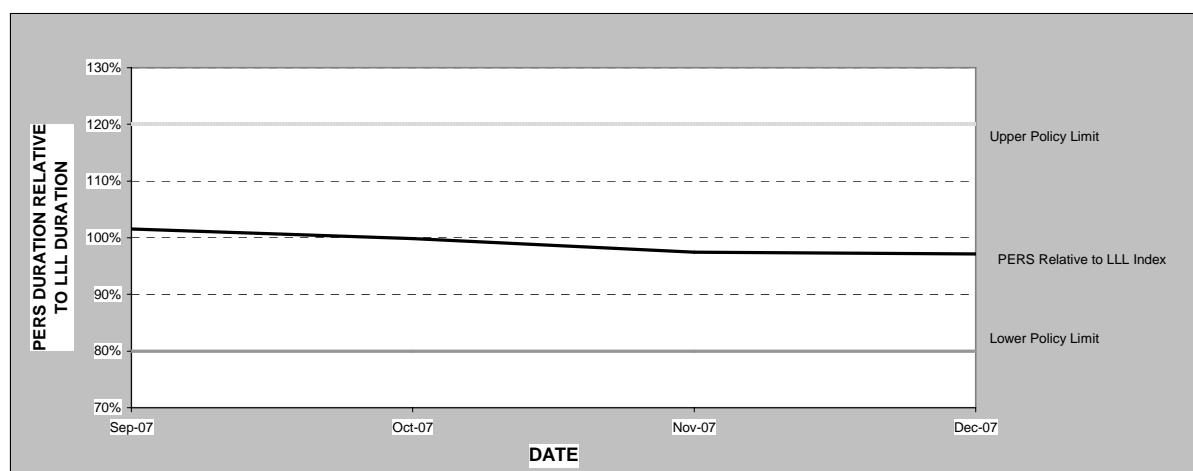
Robert Perez
Investment Officer

Curtis D. Ishii
Senior Investment Officer

Russell Read
Chief Investment Officer

QUARTERLY REVIEW OF THE DOMESTIC FIXED INCOME PORTFOLIO ENDING December 31, 2007

I. Interest Rate Risk



II. Sector Risk

SECTOR	PERMISSIBLE RANGE	LONG LIABILITY	3/31/2007 PERS	6/30/2007 PERS	9/30/2007 PERS	12/31/2007 PERS
Government	0-50	40	31	30	32	24
Mortgages	10-60	30	38	36	37	41
Sovereigns	0-15	3	2	3	2	2
Investment Grade						
Corporates	10-60	24	26	27	25	29
Opportunistic ¹	0-19	3	3	3	2	4

¹ High Yield

III. Violations to Policy:

The following policy violations occurred this quarter:

On 11/1/07, S&P downgraded Residential Capital LLC to a "BB+" from a "BBB-". This triggered violation of the following issue: Securities must be at least BBB- by one Agency (or by Internal Rating). Security was transferred to a High Yield portfolio and brought the fund back in compliance.

On 12/4/07, Moody's downgraded ALLTEL Corporation to a "Caa1" from an "A2". This triggered violation of the following issue: Securities must be at least BBB- by one Agency (or by Internal Rating). Security was transferred to a High Yield portfolio and brought the fund back in compliance.



P.O. Box 2749
Sacramento, CA 94229-95812-2749
Telecommunications Device for the Deaf - (916) 795-3240
(916) 795-3400; FAX (916) 795-3330

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Internally Managed Short-Term Fund
(Quarter Ended December 31, 2007)
- II. PROGRAM:** Domestic Short-Term
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Attached is a report that reviews compliance of the internally managed short-term fund to approved policy guidelines for the quarter ended December 31, 2007.

The Investment Committee approved the "California Public Employees' Retirement System's Statement Of Internally Managed Dollar Denominated Short-Term Fund Investment Policy, Guidelines and Procedures" (Policy) at its November 18, 1996 meeting. These guidelines require at least quarterly reporting of weighted-average days to maturity, portfolio allocation by asset class and credit quality, and an exceptions report that covers policy violations.

Section I measures the short-term fund's interest rate exposure using weighted-average days to maturity.

Section II lists the portfolio's allocation by asset class and credit quality as of quarter end. The table also lists other positions of the fund relative to policy restrictions. The portfolio is within approved guidelines.

Section III describes violations of the Policy that occurred during the quarter, including investing only in permissible securities and compliance with specified restrictions. There were no violations during the quarter ending December 31, 2007.

V. STRATEGIC PLAN:

This item supports Goal VIII, Objective 4, Strategy C by providing a monitoring system that periodically updates risk management review and findings for the asset class.

VI. RESULTS/COSTS:

The market value of the short-term portfolio as of December 31, 2007 was \$1.0 billion. This agenda item reviews the portfolio's compliance to its guidelines.

Prepared by:

Robert Perez
Investment Officer

Racel Sy
Investment Officer

Jean Hsu
Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Russell Read
Chief Investment Officer

**QUARTER REVIEW OF THE DOMESTIC
SHORT-TERM FUND ENDING December 31, 2007**

I. Interest Rate Risk

The weighted-average days to maturity of the Short-Term Fund was 1 day.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
State Street Bank STIF	100%	100.0%
U.S. Treasury and Agencies	100	0.0
Repurchase Agreements	20	0.0
Corporate Securities	100	0.0
Asset-Backed Securities	25	0.0
Total Short-Term Fund		<u>100.0%</u>

Credit Quality

Securities rated A1/P1 or higher	100%	100.0%
Total Split Rated and A2/P2	30	0.0
Total Short-Term Fund		<u>100.0%</u>

Other Restriction

Total Floating Rate Exposure	50%	0.0%
------------------------------	-----	------

III. Violations To Policy

None.



P.O. Box 2749
Sacramento, CA 94229-95812-2749
Telecommunications Device for the Deaf - (916) 795-3240
(916) 795-3400; FAX (916) 795-3330

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

I. SUBJECT: Internally Managed Dollar Denominated Limited Duration Funds
(Quarter Ended December 31, 2007)

II. PROGRAM: Domestic Fixed Income

III. RECOMMENDATION: Information Only

IV. ANALYSIS:

Attached is a report that reviews compliance of the internally managed Dollar Denominated Limited Duration funds to approved policy guidelines for the quarter ended December 31, 2007.

The Investment Committee approved the "California Public Employees' Retirement System Statement Of Investment Policy For Dollar-Denominated Fixed Income Limited-Duration Investment Policy" (Policy) at its February 14, 2006 meeting. These guidelines require at least quarterly reporting of portfolios duration, sector weightings, fixed and floating rate breakout, security rating scales, and an exceptions report that covers policy violations. This policy is for the High Quality Libor Fund and the Short Duration Fund. Attachment A is the quarter review of the High Quality Libor Fund and Attachment B is the quarter review of the Short Duration Fund

Section I measures the short-term fund's interest rate exposure using portfolio duration.

Section II lists the portfolio's allocation by asset class and credit quality as of quarter end. The table also lists other positions of the fund relative to policy restrictions. The portfolio is within approved guidelines.

Section III describes violations of the Policy that occurred during the quarter, including investing only in permissible securities and compliance with specified restrictions. There was one violation during the quarter ended December 31, 2007.

V. STRATEGIC PLAN:

This item supports Goal VIII, Objective 4, Strategy C by providing a monitoring system that periodically updates risk management review and findings for the asset class.

VI. RESULTS/COSTS:

As of December 31, 2007, the market value of the High Quality Libor Fund was \$18.1 billion and the market value for the Short Duration Fund was \$1.6 billion. The total market value of the Dollar Denominated Fixed Limited Duration portfolios as of December 31, 2007 was \$19.7 billion. This agenda item reviews the portfolios' compliance to its guidelines.

Prepared by:

Robert Perez
Investment Officer

Racel Sy
Investment Officer

Jean Hsu
Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Russell Read
Chief Investment Officer

**QUARTER REVIEW OF THE INTERNALLY MANAGED
HIGH QUALITY LIBOR FUND ENDING December 31, 2007**

I. Interest Rate Risk

The portfolio duration of the High Quality LIBOR Fund was 0.09.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
STIF Funds	100%	4.03%
AAA Floating Rate Structured Securities	100	94.13
AAA Fixed Rate Structured Securities	20	0.00
Money Market Securities (\geq A1/P1)	100	1.14
Money Market Securities ($<$ A1/P1)	25	0.70
High Quality Libor Fund		<u>100.0%</u>

Credit Quality

Securities rated AAA (LT) or A1/P1 (ST) or higher	100%	99.30%
Total Split Rated and A2/P2 money market securities ($>$ 1 day maturity)	25	0.70
High Quality Libor Fund		<u>100.0%</u>

Other Restriction

Total Fixed Rate Exposure ($>$ 35 day maturity)	20%	0.00%
--	-----	-------

III. Violations To Policy

There were no policy violations this quarter.

**QUARTER REVIEW OF THE INTERNALLY MANAGED
SHORT DURATION FUND ENDING December 31, 2007**

I. Interest Rate Risk

The portfolio duration of the Short Duration Fund was 0.06.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

<u>Asset Type</u>	<u>Policy Limits</u>	<u>Portfolio Holdings</u>
State Street Bank STIF	100%	1.16%
AAA Structured Securities	100	63.68
Non AAA Structured Securities	50	2.51
ABL Line Item	100	15.77
Money Market Securities (\geq A1/P1)	100	0.06
Money Market Securities ($<$ A1/P1)	25	13.75
Total Corporate Securities	50	3.07
Short Duration Fund		<u>100.0%</u>

Credit Quality

Securities rated AAA (LT) or A1/P1 (ST) or higher	100%	64.90%
Total Split Rated and A2/P2 (ST) or non-AAA (LT)	50	35.10
Short Duration Fund		<u>100.0%</u>

Other Restriction

Total Fixed Rate Exposure ($>$ 35 day maturity)	35%	0.21%
--	-----	-------

III. Violations To Policy

The following policy violation occurred this quarter:

On 10/26/07, S&P downgraded LBAHC_06-11_N1 to a "CCC" from an "A-".

This triggered violation of the following issue: "Structured Securities must be \geq Baa2/BBB.

Current face of the security was \$6,462,155, which was 0.4% of the SDF portfolio (0.03% of the total Limited Duration portfolios). Security was sold at the end of the month and brought the fund back in compliance.



Investment Office

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-0444

February 19, 2008

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Member Home Loan Quarterly Performance Report
- II. PROGRAM:** Member Home Loan Program (MHLP)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

For the quarter ended December 31, 2007, the CalPERS Member Home Loan Program purchased approximately \$72.9 million of FNMA and GNMA securities. This represents a decrease in these mortgage-backed securities purchased from the previous quarter total of \$100.0 million.

During this same period, the CalPERS Member Home Loan Program also purchased \$25.8 million of whole (jumbo) loans. This represents an increase of whole loans purchased from the previous quarter total of \$8.0 million.

For the 12 month period January 1, 2007 through December 31, 2007, the Member Home Loan Program purchased approximately 1,701 real estate loans totaling \$415.3 million. This represents an increase over the previous 12-month period (January 1, 2006 through December 31, 2006), during which time 951 loans were purchased totaling approximately \$226.2 million.

V. STRATEGIC PLAN:

This item is consistent with Goal V: Provide sustainable pension benefit products and services responsive to and valued by members, employers and stakeholders.

VI. RESULTS/COSTS:

Attachment 1 is the quarterly report prepared by CitiMortgage.

Mark Yelavich
Investment Officer II

Daniel Kiefer
Opportunistic Portfolio Manager

Arnold B. Phillips
Senior Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Russell Read
Chief Investment Officer

CalPERS Member Home Loan Program



Quarterly Update Report as of December 31, 2007

Presented by:



Manager of the CalPERS
Member Home Loan Program

CalPERS Member Home Loan Program



TABLE OF CONTENTS

- *Informational Bulletin / Points of Interest 2-4*
- *MHLP Purchases as of 12/31/07 5*
- *Portfolio Holdings as of 12/31/07 6*
- *Delinquency: CalPERS FNMA MBS vs. MBA 7*
- *Delinquency: CalPERS MHLP vs California Jumbo Portfolio 8*
- *MHLP Personal Whole Loans 9*
- *Participating Lender List 10*
- *Qualifying Standards for CalPERS Participants 11*

CALPERS MEMBER HOME LOAN PROGRAM

Informational Bulletin

Highlights For The Quarter Ending 12/31/07

- **Program to Date**, CalPERS has purchased a total of 129,886 loans totaling \$21.04 billion dollars (figure does not include Personal Loans).
- **Purchases for the Quarter Ending 12/31/07**, were \$99.09 million dollars (figure includes Personal Loans). (see page 4).
- **Portfolio Holdings as of 12/31/07** were \$835.70 million dollars (see page 5).
- **Mortgage Loan Delinquencies (MBA vs. CalPERS) as of 09/30/07:**
 - Fannie Mae MBS Delinquencies increased by 8 bps.
 - MBA delinquency statistics increased by 97 bps (No exposure to CalPERS, see page 6).
- **Whole Mortgage Loan Delinquencies as of 12/31/07** increased by 191 bps. (CalPERS exposure see page 7).
- **Percentage of Personal Whole Loan Delinquency as of 12/31/07** increased by 1.15% (see page 8).
- **Number of Lending Institutions participating in the MHLP** is 23 with a total of 499 branch locations statewide (see page 9).
- **CMI CalPERS Pipeline & Purchase Information for YTD ending 12/31/07:**

Committed not Purchased:	673	\$ 183,286,185	
Total Commitments Issued (YTD):	2,893	\$ 778,354,025	Avg/month: \$ 64,862,835.40
Total Purchased (YTD):	1,800	\$ 466,423,593	Avg/month: \$ 38,868,632.80
Purchase/Refinance Percentage (%):	30%/70%		

Points of Interest - 4rd Quarter, 2007

2008 CalPERS Marketing Strategy Planning

The 2008 CalPERS Marketing plan was successfully reviewed and approved by CalPERS staff in September 2007. Mark approved new marketing initiatives which included executing integrated 2008 quarterly marketing campaigns in the top CalPERS markets. These campaigns would include integrated Mass Media (print, radio, public relations), Direct Marketing (email and direct mail campaigns) and Outreach Marketing (workshops and event management) tactics.

In preparation for 2008, the following CalPERS strategic studies were also completed:

- **CalPERS Top 10 Markets Identified.** Analysis was completed to identify the top 10 CalPERS markets based on CalPERS Member counts, median home prices, homeownership percentages and other factors.
- **CalPERS Demographic Profile Study.** Based on Mark Yelavich information, demographic profiles of the CalPERS Members was created (age, race, income etc;). (this demographic study information will be used to drive 2008 creative/messaging development)
- **CalPERS 2008 Editorial Strategy: "Real Stories about Real People."** CalPERS Member Home Loan Program Member success stories will featured in various CalPERS publications in 2008 (*PERSpective* /*Employer News/INCalpers*). Real life stories about Members who can endorse the program will increase the leads generated from these publications.

CALPERS MEMBER HOME LOAN PROGRAM

Informational Bulletin

Next Steps:

CalPERS 2008 Marketing Kick-off Meeting will take place in Sacramento, CA in Jan. 2008. Marketing, Sales Account Executives and Agency Liaisons will present **one integrated** 2008 strategic CalPERS marketing plan.

Marketing Highlight: New CalPERS Electronic Communication Tactics (to Drive Leads)

In order to increase reach, awareness and leads, all of the following are now available electronically (PDF and HTML):

- **Customer Relations Member Home Loan Program brochure** for email distribution
- **Agency Liaison flyers** for email blasts
- **Agency Liaison paycheck stuffers** for email blasts
- **Agency Liaison HTML creative** for agency website pages (example, Santa Clara website: [<http://www.sccgov.org/portal/site/scc>](http://www.sccgov.org/portal/site/scc))
- **Account Executives flyers** for email distribution

Marketing/Lead Tracking Report (Top 5 categories)

Agency Liaison Fair/Conference	1,584 leads	=	48% (of total leads)
CalPERS Website	680 leads	=	21%
Referred by Family/Co-worker	248 leads	=	8%
Pers Web Site	139 leads	=	4%
Paycheck Stuffer	131 leads	=	4%

Total leads generated in 4rd Quarter, 2007 = 3,304

CalPERS Agency Outreach (Events):

The Agency Liaisons attended the Annual CalPERS Educational Forum in October 2007. This is a very important conference for the Agency Liaisons as it gets them in contact with Human Resource Representatives and Benefits' Coordinators. These contacts are used throughout the year to schedule attendance to Benefit Fairs and also to schedule Home Loan Workshops. The Agency Liaisons collected 131 contacts. Post-conference letters were sent to each contact to re-enforce the benefits of the Home Loan Program, as well as the free services both Agency Liaisons can provide.

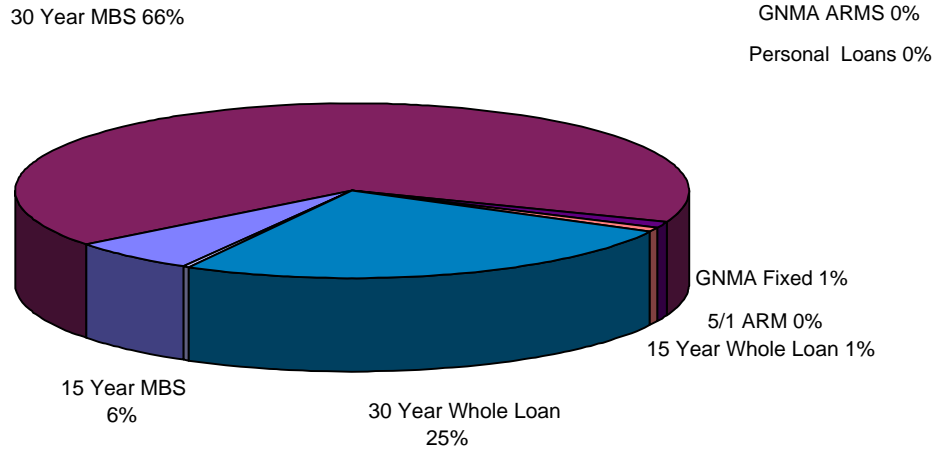
In 2008, the Agency Liaisons will continue focus on offering the new web-based Home Loan Workshop for CalPERS Members. The goal of this new option will offer the flexibility for CalPERS Members to attend a workshop from their desk at work or after work hours so they can attend with other family members. It will also be a great tool for the Agency Liaisons to work more closely with rural and/or smaller CalPERS Agencies that can be difficult for the Agency Liaisons to travel to.

Lastly, 2007 was a landmark year for the Agency Liaisons. Both Agency Liaisons close-to doubled their efforts over 2006. In 2007, the Agency Liaisons collected 6,201 total leads (2006=3,268) and attended approximately 93 events (2006=53). Great job, Melissa Mark and Lori Espinosa!

Member Home Loan Program Staff

Western Region Business Development Manager:	Angela Mia
Consumer and Pooling Division Manager:	Bonnie McKee-Flores
Customer Relations Supervisor:	Vincent Martinez
Director of Marketing:	Emilio Coronado

CalPERS MEMBER HOME LOAN PROGRAM
PURCHASES
FOR QTR ENDING 12/31/07



INVESTMENT TYPES	LOANS	AMOUNT PURCHASED	Weighted Avg. Coupon	Weighted Avg. Maturity (Mos.)
FNMA Mortgage Backed Securities⁽¹⁾				
15 Year	33	\$ 6,003,630.37	5.12%	171.76
30 Year	270	\$ 65,925,829.51	5.54%	350.87
ARMs (all conforming)	-	\$ -	0.00%	0.00
GNMA Mortgage Backed Securities⁽²⁾				
Fixed	4	987,697.00	6.00%	360.00
Variable	0	0	0.00%	0.00
Whole Loans⁽³⁾				
15 Year	6	\$ 901,843.50	5.68%	174.41
30 Year (including ARMs)	77	\$ 24,914,355.96	5.87%	353.24
Sub-Total	390	\$ 98,733,356.34	5.61%	339.06
Personal Whole Loans	28	\$ 357,732.07	8.80%	172.20
GRAND TOTAL	418	\$ 99,091,088.41	5.62%	338.46

⁽¹⁾ FNMA MBS

Servicing fees 25 basis points

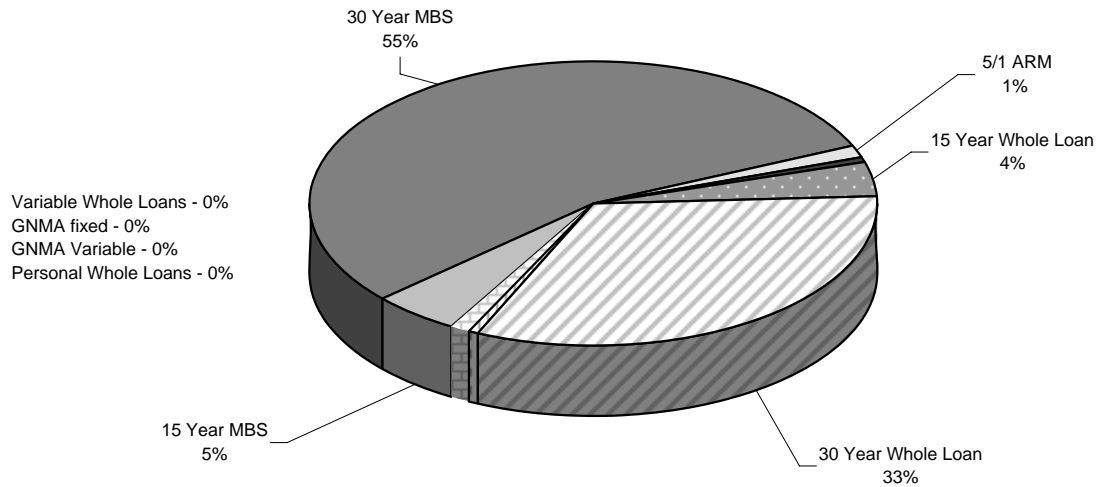
⁽²⁾ GNMA MBS

Servicing fees 19 basis points / 44 basis points
Guaranty fees 6 basis points

⁽³⁾ Whole Loans

Servicing fixed 25 basis points
Servicing ARMS 37.5 basis points

CalPERS MEMBER HOME LOAN PROGRAM
PORTFOLIO HOLDINGS
FOR QTR ENDING 12/31/07



INVESTMENT TYPES	LOANS	PORTFOLIO BALANCE	Weighted Avg. Coupon	Weighted Avg. Maturity (Mos.)
FNMA Mortgage Backed Security^{(2)*}				
15 Year	333	\$ 41,010,347.08	5.00%	142.32
30 Year	1,281	\$ 459,746,276.25	5.49%	335.19
5/1 ARM	51	\$ 12,390,170.29	4.24%	326.56
GNMA Mortgage Backed Security⁽³⁾				
Fixed	10	\$ 4,573,916.21	5.84%	343.93
ARMS	2	\$ 334,921.00	6.19%	245.17
Whole Loans⁽⁴⁾				
15 Year	147	\$ 32,672,316.77	5.11%	129.43
30 Year (includes 20-years)	785	\$ 271,709,871.47	5.66%	317.24
Variable	12	\$ 2,952,073.57	5.57%	327.98
Sub-Total	2,621	825,389,892.64	5.49%	311.41
Personal Whole Loans	1,835	\$ 10,319,130.49	6.99%	104.00
TOTAL *	4,456	\$ 835,709,023.13	5.51%	308.85

⁽¹⁾FNMA MBS

Servicing fees 25 basis points

⁽²⁾GNMA MBS

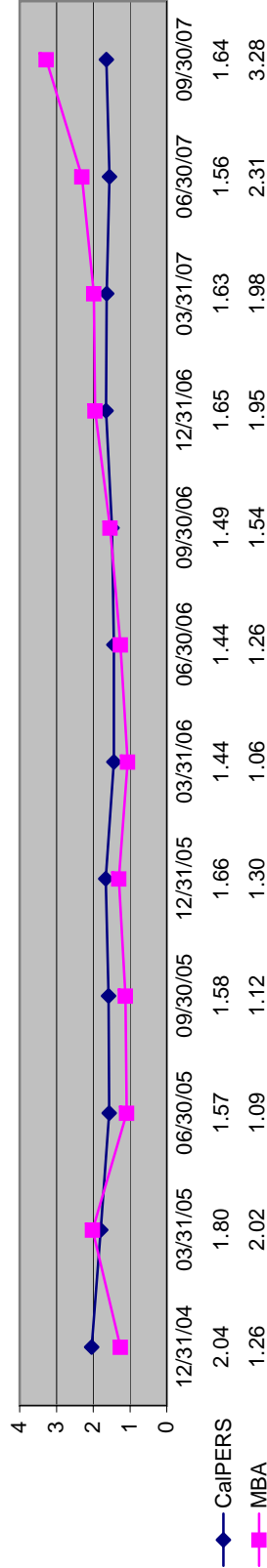
Servicing fees 19 basis points / 44 basis points
Guaranty fees 6 basis points

⁽³⁾Whole Loans

Servicing Fixed 25 basis points
Servicing ARMS 37.5 basis points

*There are several pools that the Manager is not servicing. These pools do not reflect in the Portfolio Holdings.

CalPERS FNMA MHL P MORTGAGE BACKED SECURITIES (MBS) VS. MORTGAGE BANKERS ASSOCIATION (MBA) % LOANS DELINQUENT



CalPERS FNMA MBS DELINQUENCY

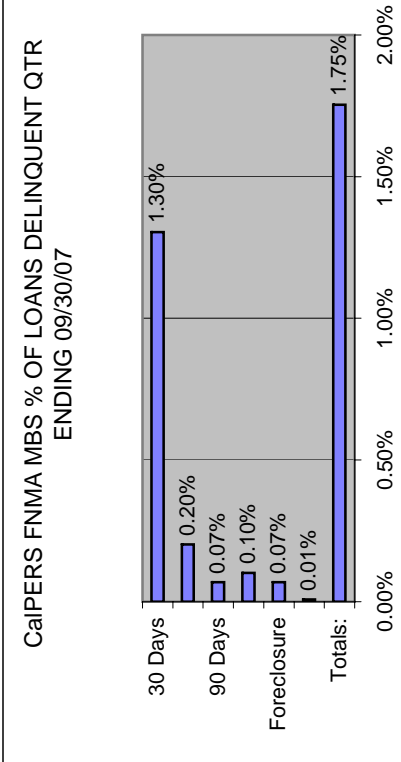
NUMBERS QTR ENDING 09/30/07

	# Loans	% Delinquent	UPB (\$)	% Delinquent
30 Days	322	1.30%	51,955,303.05	1.46%
60 Days	50	0.20%	8,127,205.41	0.23%
90 Days	17	0.07%	2,899,316.12	0.08%
Bankruptcy	25	0.10%	3,660,096.52	0.10%
Foreclosure	17	0.07%	3,104,439.40	0.09%
REO	2	0.01%	384,852.71	0.01%
Totals:	433	1.75%	70,131,213.21	1.97%
Total Portfolio		#	24,682	\$ 3,568,039,478.38

Totals - BK and

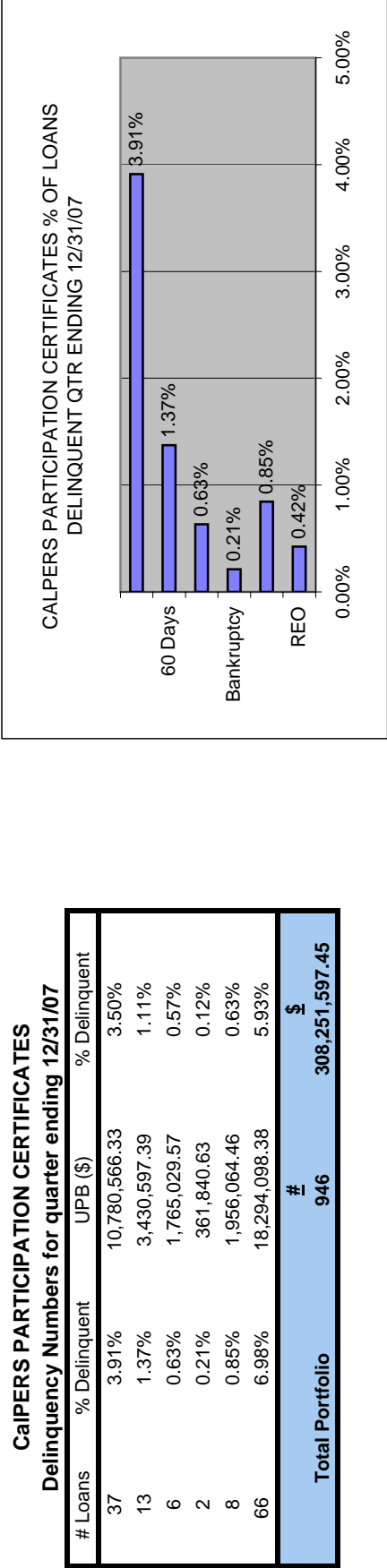
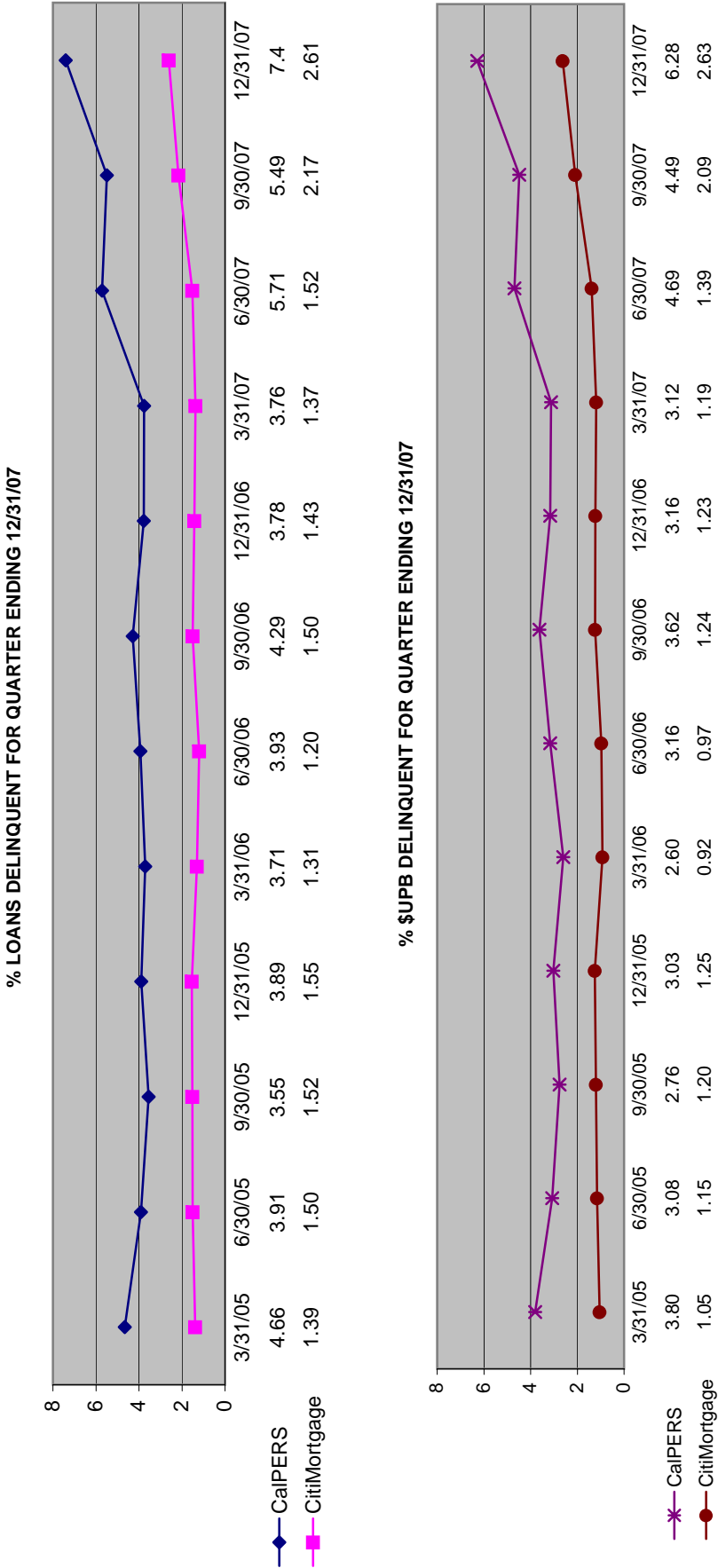
REO:

406 1.64% 66,086,263.98 1.85%



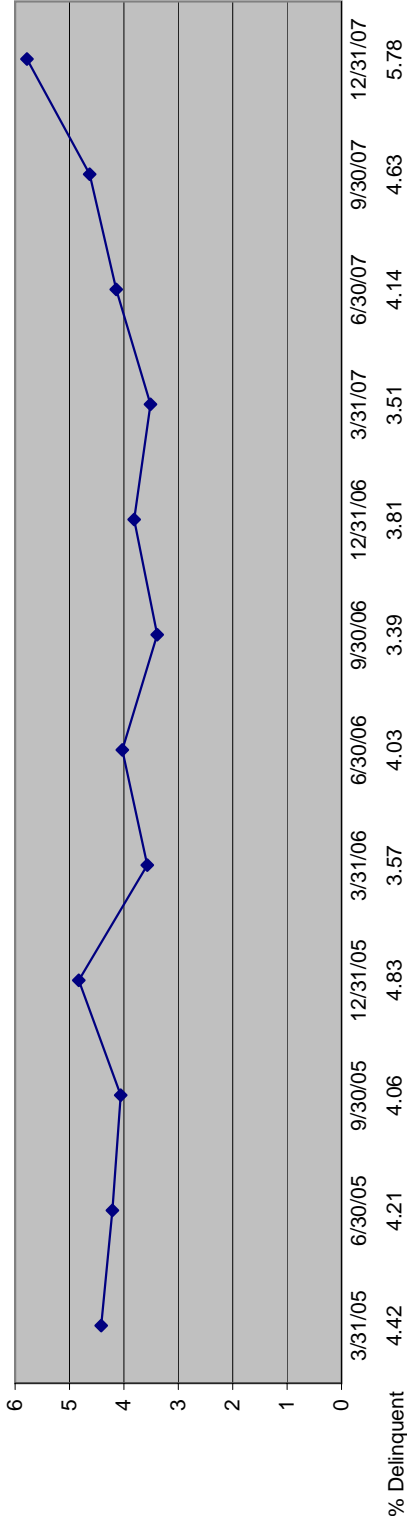
Total Portfolio reflects total MHL P MBS outstanding principal balance regardless of CalPERS ownership of the MHL P MBS. For all graphs above, percentages are based on loan count in order to calculate delinquency data consistent with the MBA. All numbers are rounded up. MBA has no REO/Bankruptcy MHL P percentage will not reflect REO/Bankruptcy.

CalPERS MHL P PARTICIPATION CERTIFICATES VS. CALIFORNIA JUMBO PORTFOLIO



DELINQUENCY REPORT CalPERS Personal Loans

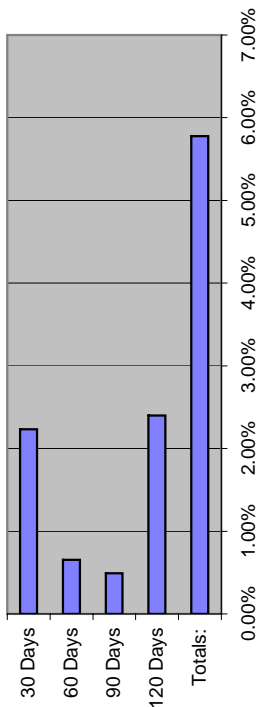
% LOANS DELINQUENT FOR QUARTER ENDING 12/31/07



PERSONAL WHOLE LOANS
 DELINQUENCY NUMBERS
 QTR ENDING 12/31/07

# Loans	% Delinquent	UPB (\$)
30 Days	2.23%	152,136.42
60 Days	0.65%	64,975.06
90 Days	0.49%	72,513.35
120 Days	2.40%	205,405.55
Total Delinquent	5.78%	495,030.38
Total Portfolio	1,835	\$10,319,130.49

PERSONAL WHOLE LOANS
 % OF LOANS DELINQUENT
 QTR ENDING 12/31/07



For all graphs above, percentages are based on loan count in order to calculate delinquency data consistent with the MBA.

Personal loans that have been called into default (program to date):	
number of loans: 571	\$ total: \$2,618,482.60

Personal loans that have been purchased by CalPERS (program to date):	
number of loans: 19,789	\$ total: \$146,759,457.00

APPENDIX A

CalPERS MEMBER HOME LOAN PROGRAM PARTICIPATING LENDER LIST

For quarter ending 12/31/07

ALTURA CREDIT UNION
BROADVIEW MORTGAGE COMPANY
COUNTRYWIDE HOME LOANS, INC.
EAGLE HOME MORTGAGE, INC.
FIRST HORIZON HOME LOAN
CORPORATION
FIRST MORTGAGE CORPORATION
GATEWAY BUSINESS BANK
GMAC MORTGAGE CORPORATION
GUILD MORTGAGE COMPANY
INDYMAC BANK, FSB

MOUNTAIN WEST FINANCIAL, INC.
NCMC A SUBSIDIARY OF NATIONAL CITY
REPUBLIC MORTGAGE HOME LOANS
SIERRA PACIFIC HOME LOANS
SIERRA PACIFIC MORTGAGE COMPANY, INC.
SOUTH PACIFIC FINANCIAL CORPORATION
THE GOLDEN 1 CREDIT UNION
THE MORTGAGE HOUSE, INC.
U.S. FINANCIAL MORTGAGE CORPORATION
VITEK
WELLS FARGO BANK, NA

TOTAL NUMBER OF LENDERS:	23
TOTAL NUMBER OF BRANCHES:	499

APPENDIX B

Qualifying Standards for CalPERS Participants

- Audited financial statements, which usually report the performances of the past two years.
- The most update quarterly financial statements (unaudited interims)
- Quality control procedures
- FNMA approved with ID number (letter attached).
- Net worth of at least \$500,000 (based on audited financial statements).
- Has been in business for two years (based on audited financial statements).
- Has operated profitably for two years (based on audited financial statements).
- Approval from: RADIANT, GEMICO, UGIC, PMI, MGIC, RMIC, or TRIAD
- Certification of current Error & Omissions Insurance and Fidelity Bond Coverage (minimum coverage at least \$300,000 and current at time of review).

For applicants requesting SERVICING RETAINED status:

- The Applicant's delinquency and foreclosure ratios in California for the past three years are equal to or less than the average ratios for comparable institutions as reported by the MBA.
- Currently servicing a residential loan portfolio of at least \$300MM with the capacity of servicing FNMA MBS'.

PUBLIC RECORDS ACT REQUESTS
October 1, 2007 – December 31, 2007

Request Date	Requester	Subject	Response
12/20/07	Business	Request for AIM information.	Responsive documents provided on 1/16/08.
12/21/07	Business	Page Mill Properties documents.	Response provided on 2/1/08.